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Electronic livestock auctions starting in Britain.

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TEXT:

1 ELECTRONIC LIVESTOCK AUCTIONS STARTING IN BRITAIN A national network
of electronic auction franchises that could radically change the sale of
primestock is being established in Great Britain. Already five out of the
eleven that are needed to cover the country are operating and another three
5 are due to begin business shortly. The Franchise is owned by EASE
(Electronic Auction Systems Europe), an Inverurie-based subsidiary of
Aberdeen and Northern Marts Ltd.

Under the terms of their EASE franchise agreements, companies
operating within strictly specified regional boundaries are offering an
10 on-farm primestock sales service that is open to subscription paying,
abattoir based buyers working from any location in the country. Although it
is offered principally as a primestock sales service, electronic auction is
also used in the grain market and may eventually cover a wide range of
other agricultural commodities. It is expected that the EASE electronic
15 franchise will eventually be extended to cover operations in other EC
countries.

The system allows buyers connected by computer to bid from their
offices for cattle which are still feeding on their farms. Lots are
assembled by team of auctioneers and fieldsmen visiting farms within the
20 area of the franchise owned by the auction company. Other franchise
companies are expected gradually to extend their cover until every GB
primestock producer has the opportunity to sell within the electronic
system.

Assessor estimates carcase classification

25 Cattle on each farm are assessed and their description is printed on
a sales catalogue which is available to every subscription payer. Each
company uses the electronic auction password to tap into the computer at
the sales centre and receive the catalogue through computer printout. The
assessor estimates the weight of the animals and also their Meat and
30 Livestock Commission (MLC) carcase classification on the EUROP grid to help
deadweight buyers get a more accurate impression of the cattle before them.
This, and the farm location are aimed at helping buyers become familiar
with the quality of cattle from the holding and the descriptive accuracy of
the assessor.

35 The terms of sale are that the vendor's price is fixed on carcase
weight and MLC classification. The weighing location is the abattoir itself
but EASE franchise holders will sell only to companies where carcasses are
weighed independently by the MLC. Cattle have to be collected from the sale
location by the purchaser within seven days of sale and payment is made by
40 the auction company within 14 days. The agent charges 2% sales commission
and the vendor can place a reserve price.

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COMPANY NAMES: Electronic Auction Systems Europe--Services

INDUSTRY CODES/NAMES: AGRI Agriculture, Fishing and Tobacco; INTL
Business, International

DESCRIPTORS: United Kingdom--Services; Livestock--Marketing; Auctions--
Automation

GEOGRAPHIC CODES: ENUK

GEOGRAPHIC NAMES: Great Britain

SIC CODES: 5154 Livestock; 0291 General farms, primarily animal; 7389
Business services, not elsewhere classified

*Internet that
auction company
receives payment
information from
bidder/buyer*

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